12. *Permit fee.* The requirement in S. 425 for payment of the mining fee before operations begin could impose a large "front end" cost which could unnecessarily prevent some mine openings or force some operators out of business. In the Administration's bill, the regulatory authority would have the authority to extend the fee over several years.

13. *Preferential contracting.* S. 425 would require that special preference be given in reclamation contracts to operators who lose their jobs because of the bill. Such hiring should be based solely on an operators reclamation capability. The provision does not appear in the Administrations' bill.

14. *Any class of buyer.* S. 425 would require that lessees of Federal coal not refuse to sell coal to any class of buyer. This could interfere unnecessarily with both planned and existing coal mining operations, particularly in integrated facilities. This provision is not included in the Administration's bill.

15. *Contract authority* S. 425 would provide contract authority rather than authorizing appropriations for Federal costs in administering the legislation. This is unnecessary and inconsistent with the thrust of the Congressional Budget Reform and Impoundment Control Act. In the Administration's bill, such costs would be financed through appropriations.

16. *Indian lands.* S. 425 could be construed to require the Secretary of the Interior to regulate coal mining on non-Federal Indian lands. In the Administration bill, the definition of Indian lands is modified to eliminate this possibility.

17. *Interest charge.* S. 425 would not provide a reasonable level of interest charged on unpaid penalties. The Administration's bill provides for an interest charge based on Treasury rates so as to assure a sufficient incentive for prompt payment of penalties.

18. *Prohibition on mining within 500 feet of an active mine.* This prohibition in S. 425 would unnecessarily restrict recovery of substantial coal resources even when mining of the areas would be the best possible use of the areas involved. Under the Administration's bill, mining would be allowed in such areas as long as it can be done safely.

19. *Haul roads.* Requirements of S. 425 could preclude some mine operators from moving their coal to market by preventing the connection of haul roads to public roads. The Administration's bill would modify this provision.

The attached listing shows the sections of S. 425 (or S. 7 and H.R. 25) which are affected by the above changes.

LISTING OF PRINCIPAL PROVISIONS IN S. 425 (S. 7 AND H.R. 25) THAT ARE CHANGED IN THE ADMINISTRATION'S BILL

Subject	Title or section S. 425, S. 7, H.R. 25	Administration bill
Critical changes:		
1. Clarify and limit the scope of citizens suits	520	420.
2. Modify prohibition against stream siltation	515(b)(10)(B), 516(b)(9)(B).	415(b)(10)(B), 416(b)(9)(B).
3. Modify prohibition against hydrological disturbances	510(b)(3), 515 (b)(10)(E).	410(b)(3), 415 (b)(10)(E).
4. Provide express authority to define ambiguous terms in the act.	None	601(b).
5. Reduce the tax on coal to conform more nearly with reclamation needs and eliminete funding for facilities.	401(d)	301(d).
6. Modify the provisions on impoundments	515(b)(13), 516(b)(5).	415(b)(13), 416(b)(5).
7. Modify the prohibition against mining in national forests.	522(e)(2)	422(e)(2).
8. Delete special unemployment provisions	708	None.
Other important changes:		
1. Delete or clarify language which could lead to unintended "antidegradation" interpretations.	102 (a) and (d)	102 (a) and (c).
2. Modify the abandoned land reclamation progrem to (1) provide both Federal and State acquisition and reclamation with 50/50 cost sharing, and (2) eliminete cost sharing for private land owners.	Title IV	Title III.
3. Revise timing requirements for interim program to minimize unanticipeted delays.	502(e) through (c), 506(a).	402(e) and (b), 406(a).
4. Reduce Federal preemption of State role during interim program.	502(f), 521(e) (4).	402(c), 421(a) (4).
5. Eliminate surface owner consent requirement; continue existing surface and mineral rights.	167	163.
6. Elliminate requirement that Federal lands adhere to requirements of State programs.	523(a)	432(a).
7. Delete funding for research centers	Title III	None.
8. Revise the prohibition on mining in alluvial valley floors.	510(b)(5)	410(b)(5).
9. Eliminate possible delays relating to designations as unsuitable for mining.	510(b)(4), 522 (c).	410(b)(4), 422 (c).
10. Provide authority to waive hydrologic data requirements when deta already evallable.	507(b)(11)	407(b)(11).
11. Modify variance provisions for certein post-mining uses and equipment shortages.	515(c)	402(d), 415(c).
12. Clarify that payment of permit fee can be spread over time.	507(a)	407(a).
13. Delete preferential contracting on orphaned land reclamation.	707	None.
14. Delete requirement on sales of coal by Federal lessees.	523(e)	None.
15. Provide authority for appropriations rather than contracting authority for administrative costs.	714	612.
16. Clarify definition of Indian lands to assure that the Secretary of the Interior does not control non-Federal Indian lands.	701(9)	601(a)(9).
17. Establish an adequate interest cherge on unpaid penalties to minimize incentive to delay payments.	518(d)	418(d).
18. Permit mining with 500' of an active mine where this can be done safely.	515(b)(12)	415(b)(12).
19. Clarify the restriction on haul roads from mines connecting with public roeds.	522(e)(4)	422(e)(4).

By Mr. PROXMIRE:

S. 653. A bill to amend the Budget and Accounting Act, 1921, to provide for audits by the General Accounting Office of expenditures by intelligence agencies of the Government and for reports thereon to certain committees of the Congress. Referred to the Committee on Government Operations.

Mr. PROXMIRE. Mr. President, this bill will put teeth in the congressional oversight of the intelligence community by authorizing the General Accounting Office to audit and analyze the expenditures of these agencies.

The CIA and other intelligence agencies have protected themselves from congressional review by not allowing audits of their programs. Billions have been spent yearly without one financial audit at the direction of Congress. Expenditures declared to Congress have been taken at face value.

The CIA claims that its programs are audited internally and by the Office of Management and Budget. But the limited number of people involved and their obvious self-interest raise doubts about the thoroughness of this procedure.

The GAO has found that congressional requests for data about intelligence operations have been disrupted by the refusal of the agencies involved to allow access to records. They have refused access by denying GAO officials the appropriate security clearances.

The GAO has successfully audited the most sensitive Defense Department programs for years without being denied data. Thus the obstruction of the intelligence community appears to be more of a protective device than a legitimate concern for protecting sources and methods.

When the GAO tried to effectively audit CIA programs in a trial period from 1959 to 1961, the CIA denied GAO access to data necessary for the audit and the project ended in failure.

In 1973, the GAO was stopped from concluding field investigation of a Defense Department installation involved in intelligence matters due to problems with intelligence clearances.

A second field survey involving a different installation dealing with technical publications of foreign countries also was disrupted by problems with obtaining access by GAO staffers who already had top secret and atomic energy "Q" clearances.

In contrast to the roadblocks posed by the CIA and military intelligence agencies, the National Security Agency has been more cooperative with the GAO. At the request of the NSA, since 1955 the GAO has been auditing accounts at the NSA facility. Although this is a strict auditing procedure without program analysis, the onsite presence of GAO personnel greatly facilitates such work.

Congress has no way of independently checking on the funds it provides to the intelligence community—without the help of the GAO. With the national intelligence program variously estimated at between $3 and $6 billion, depending on the definition of strategic and tactical intelligence, there is serious possibility of financial irregularities.

How does the CIA handle the profits of its proprietary organizations, the airlines, and other front companies? Do profits go into the CIA budget?

Does the Director of CIA have a special "Director's fund" which can be used without justification to any other person?

Does the CIA have reserves of money set aside for unforeseen contingencies? Where would such reserves be retained? In foreign banks? Here in the United States? Under what terms and conditions?

How does the CIA change American dollars into the local currencies of foreign countries?

Have the American taxpayers been getting the best intelligence at the most effective price for their tax dollars?

These and many other questions should be asked of the CIA and the rest of the intelligence community.

Under this bill, GAO investigations would be done only at the request of an official congressional committee with intelligence jurisdiction. Such audits and program investigations would be made public only if the congressional committees and the intelligence community agreed on an unclassified format.

Mr. President, I ask unanimous consent that a 13-page GAO letter dealing with intelligence matters be printed in the RECORD, and the full text of this bill be so printed in the RECORD.

There being no objection, the letter and bill were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF
THE UNITED STATES,
Washington, D.C., May 10, 1974.

Hon. WILLIAM PROXMIRE
U.S. Senate

DEAR SENATOR PROXMIRE: In a letter dated January 24, 1974, you requested our assistance in reviewing the extent of Congressional oversight and control over the operations of the United States intelligence community. You consider the following agencies as part of the intelligence community: the Central Intelligence Agency; the Defense Intelligence Agency; the National Security Agency; the intelligence components of the Army, Navy and Air Force; the Federal Bureau of Investigation; the Department of the Treasury; the Atomic Energy Commission; and the Bureau of Intelligence and Research of the Department of State.

Under the Constitution of the United States the Congress is empowered to raise and support armies, provide and maintain a Navy and make rules for the Government and regulation of the Armed Forces. Art. I, Sec. 8, Cls. 12, 13 and 14. Clause 18 of Article I, Sec. 8 of the Constitution empowers the Congress "[T]o make all Laws which shall be necessary and proper for carrying into Execution the foregoing Powers, and all other Powers vested by this Constitution in the Government of the United States and in any Department or Officer thereof."

Pursuant to its constitutional authority, the Congress has enacted numerous statutes dealing with national security. We will concentrate herein on the two statutes cited in your letter.

On July 26, 1947, there was signed into law the National Security Act of 1947, Pub. L. 80–253, 61 Stat. 495, as amended, 50 U.S.C. 401, *et seq.* Generally that act established a federated agency, the National Military Establishment, to coordinate the three separate executive departments of the Army, Navy and Air Force, each to be headed by a civilian secretary. Outside the National Military Establishment, but somewhat closely related to it, three other agencies were created by the act: the National Security Council, the Central Intelligence Agency, and the National Security Resources Board.

The National Security Council (Council) was established to advise the President with respect to the integration of domestic, foreign and military policies relating to the national security so as to enable the military services and the other departments and agencies of the Government to cooperate more effectively in matters involving the national security. As such it is generally the President's chief policy advisor in national security matters. It also assists the President in implementing that policy. As established by that statute, the Council consisted of the President, the Secretary of State, the Secretary of Defense, the secretaries of the three services, the Chairman of the National Security Resources Board, and certain enumerated persons when appointed by the President by and with the advice and consent of the Senate to serve at the President's pleasure. The composition of the Council has since been altered slightly.

Established under the Council is the Central Intelligence Agency (CIA). The purpose of this agency is largely to coordinate, under the direction of the Council, the intelligence activities of the several Government departments and agencies in the interest of national security. In addition to its coordination functions the CIA performs such other functions and duties related to intelligence affecting the national security as the Council may from time to time direct.

The National Security Resources Board, which was abolished by statute in 1954 (act of September 3, 1954, 68 Stat. 1226, 1244), was composed of a Chairman and such heads or representatives of the various executive departments and independent agencies as may be designated from time to time by the President. Its purpose was to advise the President relative to the coordination of military, industrial and civilian mobility and certain other matters.

On June 20, 1949, the Congress enacted Public Law 81–110, which is known as the Central Intelligence Agency Act of 1949, 63 Stat. 208 as amended, 50 U.S.C. 403a–403j. The purpose of this legislation generally is to grant the CIA the necessary authority for its proper and efficient administration. Previously the CIA had been operating under the 1947 Act which did not grant the CIA "the authorities necessary for its proper administration." As a result of questions raised by this Office and other agencies as to the legality of some of the CIA's activities, Congress decided to spell out the manner in which the agency would be administered. Public Law 81–110 deals with, among other things, procurement authority, travel and allowances for CIA personnel, methods of expenditures of appropriated funds, and other related authorities connected with the agency's administration. Other provisions enable the agency to protect its confidential functions. In passing this act the Congress recognized that some of its provisions were of an unusual nature but determined that they were nonetheless necessary to the successful operation of an efficient intelligence service.

Your inquiry first requests us to review the oversight authority of Congress in relation to the aforementioned acts and the intelligence community as a whole. Through the exercise of the "power of the purse" given to it by the Constitution, the Congress, in our view, is entitled to any information on the expenditure of funds which it wishes to receive from the executive branch of the Government. When denied desired data the Congress may deny funds to the agency involved until such information is forthcoming. Within the limits of this ultimate power the Congress may establish the rules with respect to its access to information and materials held by the executive branch.

In enacting the above-cited statutes the Congress did not specifically address itself to the question of the kind and amount of oversight and control which it would exercise over the intelligence community, other than giving the community, under the direction of the CIA, authority to keep its operations from becoming public.

However, the attitude of the Congress with respect to its oversight functions, at that time, can be seen in its consideration of the Central Intelligence Agency Act of 1949 (CIA Act). In hearings held by the House Committee on Armed Services on February 23, 1949, on H.R. 1741, H.R. 2546, and H.R. 2663, the Chairman stated:

"Now, of course, we all recognize the purpose of this bill. Of course, there is a great deal of matter that we cannot discuss here, and we cannot discuss on the floor of the House. We will just have to tell the House they will have to accept our judgment and we cannot answer a great many questions that might be asked. We cannot have a Central Intelligence Agency if you are going to advertise it and all of its operations from the tower [of the Empire State Building]." pp. 486–487.

In its report of February 24, 1949, to the House on H.R. 2663, the Committee set forth an explanation of certain sections of the bill. It concluded, however, that:

"The report does not contain a full and detailed explanation of all of the provisions of the proposed legislation in view of the fact that much of such information is of a highly confidential nature. However, the Committee on Armed Services received a complete explanation of all features of the proposed measure. The committee is satisfied that all sections of the proposed legislation are fully justified." House Rept. 81–160, p. 6.

The House considered the Committee report on March 7, 1949.) See Cong. Rec. (daily ed.) pp. 1982–1990). Objection was raised at that time to the failure of the Committee to inform the House as to the full implications of the bill under consideration. For example, Mr. Celler stated in pertinent part:

"Mr. Speaker, although I do not like the hush-hush business surrounding this bill, I shall not oppose it. Certainly if the members of the Armed Forces Committee can hear the detailed information to support this bill, why cannot our entire membership? Are they the Brahmins and we the untouchables? Secrecy is the answer. What is secret about the membership of an entire committee hearing the lurid reasons? In Washington three men can keep a secret if two men die. It is like the old lady who said, 'I can keep a secret but the people I tell it to cannot.'" p. 1985.

The Senate on May 27, 1949, amended and passed the bill (H.R. 2663) as passed by the House. The Senate debate (Cong. Rec. (temp. ed.) pp. 7082–7090)) reflects the knowledge of that body that it was not being given a full explanation of all of the provisions of the bill. Despite this lack of knowledge on the part of both Houses of Congress, the conference report was agreed to and the bill passed both Houses and was signed by the President.

Inasmuch as the Congress as a whole was not given a detailed explanation of the provisions of the CIA Act of 1949 or of the underlying information which prompted the legislation, it seems that the Congress expected its oversight over the CIA to be handled by the appropriate committee in secrecy consistent with the manner in which the bills which were enacted into this legislation were handled.

Since that time, however, there has been extensive and increasing concern on the part of various members of the Congress with the level of oversight and independent surveillance over the intelligence community. The question of whether the Congress was giving sufficiently serious consideration to the constitutional provision that no money may be spent from the public treasury without congressional approval was the subject of a major Senate debate in 1956. The debate was triggered in part by the 1955 Hoover Commission Study which expressed concern about the absence of congressional and other outside surveillance of Government intelligence activities.

Senator Mansfield introduce a bill—with 34 cosponsors—for a joint committee on intelligence. The Senate Rules Committee majority concluded that while secrecy is essential for certain intelligence community operations, a wide area of intelligence activities constituted proper grounds for congressional review; and reported the bill favorably out of the committee.

A strong administration opposition to the bill caused 14 of the original cosponsors of the bill to reverse their positions and the bill was defeated by a vote of 59 to 27, with 10 Senators not voting.

In 1960 two events resulted in congressional attention being given to the subject issue.

Shortly after the U-2 incident the Senate considered, but did not pass, a proposal for a major reorganization of the policy-making machinery of the executive branch, which provided for, among other things, the transfer from the CIA of all non-clandestine intelligence collection, and the establishment of a joint committee of the Congress on the CIA.

The House, shortly thereafter considered a resolution—triggered by the suspected defection of two NSA employees—to authorize the House Committee on Un-American Activities to conduct a full and complete study of each of the intelligence agencies. The House adjourned without passing the resolution. However, the Chairman of the Armed Services Committee did name a three man subcommittee to conduct, without publicity, a complete investigation of the intelligence agencies.

In 1966 the subject issue was again debated in the Senate. Consideration of more systematic congressional surveillance of intelligence activities was focused by a proposed Senate resolution calling for an investigation by the Senate Foreign Relations Committee of American foreign intelligence activities The proposal was referred to the Foreign Relations Committee, where it was approved by a vote of 14 to 5. After considerable debate the Senate voted—61 to 28—to send the resolution to the Armed Services Committee but no action was taken on the bill. However, the Chairman of the Armed Services Committee did invite selected members of the Foreign Relations Committee to attend all intelligence subcommittee sessions.

In the past two decades, more than 200 bills aimed at making the CIA more accountable to the Congress have been introduced.

Thus, although the question of whether the Congress exercises adequate oversight concerning the intelligence community has been raised a number of times, the determination made in 1949 that Congressional oversight would be limited to reviews by the relatively few members who serve on certain designated committees or subcommittees remains unchanged.

You also requested that we provide you with an opinion as to the legality of the Council's issuing classified directives to the intelligence community based on the CIA Act of 1949 and the National Security Act of 1947, if the directives deal with subjects, such as instructions to engage in covert activities not considered in the original legislation. You also ask whether the terms of subsections 102(d) (4) and (5) of the National Security Act, 50 U.S.C. 403(d) represent "a totally open ended provision" and whether the Council must make all directives issued pursuant to those subsections available to the Congress.

The relevant portions of section 102(d) provide:

"(d) For the purpose of coordinating the intelligence activities of the several Government departments and agencies in the interest of national security, it shall be the duty of the Agency (CIA), under the direction of the National Security Council—

* * * * *

"(4) to perform, for the benefit of the existing intelligence agencies such additional services of common concern as the National Security Council determines can be more efficiently accomplished centrally;

"(5) to perform such other functions and duties related to intelligence affecting the national security as the National Security Council may from time to time direct."

As noted above, the Council is the President's chief advisor on national security policy and it also is responsible for assisting in implementing that policy. The Council acts generally through the issuance of instructions or directives to the agencies within the intelligence community. Inasmuch as the Council is endowed with broad authority in this area, it may issue directives dealing with virtually any subject dealing with national security and United States intelligence operations. While the statute does not explicitly mention "covert operations and activities," it seems clear that those operations and activities are part of the national security intelligence operations which are within the Council's jurisdiction. Of course, the Council may not direct an agency to perform duties proscribed by statute. Thus, for example, the CIA may not undertake internal security functions. See subsection 102(d)(3) of the NSA Act of 1947 (50 U.S.C 403(d)(3)). Copies of the Council's directives apparently would be available to the Congress in accordance with the discussion above of congressional oversight of intelligence operations.

Finally, you have asked for a review of GAO's right to review, audit or otherwise examine the programs and operations of the various intelligence agencies. Also, you request information on the success we have had in obtaining information from and about the intelligence community, the staff support we could provide to the oversight committees and the problems which might attend congressional requests for investigations in the intelligence field.

The basic audit authority of this Office is contained in the Budget and Accounting Act, 1921, and the Accounting and Auditing Act of 1950. Pursuant to these and other statutory authorities the audit authority of the General Accounting Office extends generally to the expenditures of the various departments and establishments. There are, however, exceptions provided by law, including a fairly substantial number of instances where expenditures are accounted for solely upon a certification by the head of the department or establishment involved. For example, expenditures of a confidential, extraordinary or emergency nature by the CIA are to be accounted for solely on the certificate of the Director of Central Intelligence. 50 U.S.C. 403j(b). Sometimes such restrictions are contained in appropriation acts. For example, annual appropriations for the Federal Bureau of Investigation have included funds to meet unforeseen emergencies of a confidential character to be expended under the direction of the Attorney General and accounted for solely on his certificate.

Overall we have had relatively limited contact with the intelligence community. However, we have had sufficient contact to enable us to identify certain problems we would have in obtaining information from and about intelligence organizations. Underlying these problems is the extremely high degree of sensitivity attached to intelligence matters and the desirability within the intelligence community of reducing the risk of leakage by minimizing the number of people having access to such matters. Part of this latter factor, which also entails a relatively considerable expenditure of time and money in obtaining necessary security clearances, is that the intelligence community restricts the numbers of clearances it will issue to us. Generally to carry out a survey or review in a timely manner, develop a report and process it though Office review channels requires effort on the part of a relatively large number of people. Our experience indicates, however, that we will be issued only a few clearances on a given intelligence subject—not nearly enough to allow us to do the type of job we normally expect to do. Of course, we try to streamline our procedures as much as possible in handling these matters. Another problem is working out arrangements acceptable to all parties for distributing any of our final products to the Congress.

Following enactment of the Central Intelligence Agency Act of 1949, the then Director of the Agency requested that notwithstanding the very broad and unusual powers granted to the CIA by the Act, an audit of expenditures at the site, as previously performed by GAO, be continued. Accordingly, our Officc continued to make audits of vouchered expenditures under the same arrangements that were in effect with the predecessor Central Intelligence Group. However, in view of the provisions of section 8 of the Act (formerly section 10), no exceptions were taken to any expenditures; in those cases where questionable payments came to our attention, we referred the matter to the CIA Comptroller's Office for corrective action. In using the term "questionable payments," we meant any expenditures which, except for former section 10(a) of the Act, appeared to be impropr or illegal either under law or under the decisions of the Comptroller General. In our audit work, we did not make substantive reviews of Agency policies, nor of its practices and procedures; further, we made no audit of expenditures of unvouchered funds.

Subsequent to enactment of Central Intelligence legislation, we broadened the type of audit we made of the activities of most Government agencies. We adopted the "comprehensive audit" approach under which we construed an agency's financial responsibilities as including the expenditure of funds and the utilization of property and personnel in the furtherance of authorized programs or activities in an efficient, economical and effective manner. We concluded in 1959 that this broader type of audit was appropriate for our work at the CIA and was more likely to be productive of evaluations which would be helpful to the Congress and the Agency Director. We also determined that the previous limited audit work at CIA should not be continued. In the fall of 1959, we agreed with the then Director of Central Intelligence to broaden our audit efforts at CIA, on a trial basis.

In 1961, after the trial period, we concluded that under existing security restrictions on our audit of CIA activities, we did not have sufficient access to make comprehensive reviews on a continuing basis which would produce evaluations helpful to the Congress. We further determined that continuation of the limited financial audit effort which we had conducted in prior years at the CIA would not serve a worthwhile purpose; we therefore proposed to cease all activities at the Agency. At about this same time the Agency was engaged in a major reorganization and strengthening of its comptroller and internal audit functions. Concurrence in our proposal to terminate all audit efforts was forthcoming in 1962, and since that time we have not conducted any reviews at the CIA nor any reviews which focus specifically on CIA activities.

At this point, it might be useful to relate some of the activities and problems we have had in relation to the intelligence community.

One of our divisions, the Procurement and Systems Acquisition Division (PSAD), has attempted to engage in several reviews in the intelligsnce area. For example, in June 1973, it planned to make a survey at a Department of Defense field installation but access was blocked because of the sensitive nature of work being performed there. Instead, DOD suggested that the Division Director first obtain a special clearance, get a briefing on the installation, and then decide what GAO's course of action should be. He immediately requested clearance for himself and an As-

sistant Director. Even though both had Top Secret and AEC "Q" clearances, a new "full field" investigation was required for the special clearance involved. They have not yet received the clearances, and consequently have obtained no information about the installation other than its name.

In another instance, this division had one of our regional offices make a survey at a DOD field installation having responsibility for analyzing data contained in foreign country technical publications. The survey proceeded well until our requests for information apparently reached the sensitive stage. A meeting was then held with a high intelligence official in Washington at which time the conditions under which we could continue our work were outlined. The official seemed to be very cooperative and offered to accelerate the special clearance procedure so long as no more than 3 or 4 staff members were to be cleared and assigned to intelligence work for several years. It appeared to us that we would not have full control over the direction of our effort. Because of this and other factors we decided to terminate the survey.

On another assignment, initiated at the request of a Senate Armed Services subcommittee, we attempted to compare the Soviet and U.S. expenditures for military research and development. We had good cooperation from DOD, including access to some intelligence reports, due at least partially to the existence of a congressional request. But even so, we were not able to see all the intelligence reports used by DOD in making its own comparison. The intelligence community refused to provide us with the reports or to work with us directly.

Our International Division has the most contact with and concerning the intelligence community. The International Division has had contact with the Central Intelligence Agency directly or indirectly in connection with broad reviews regarding such matters as international narcotics control, military activities in Laos, contracting for technical services, language training, transfers of excess defense articles to foreign governments, U.S. economic assistance programs, and the wheat sale to the Soviet Union. In some cases the Division has experienced cooperation from the CIA in obtaining information it desired: in other cases attempts to get information were frustrated. The Division's overall success in obtaining information from the intelligence community must be characterized as border line, at best.

Finally, we might discuss the work of our Logistics and Communications Division with respect to the National Security Agency (NSA). The NSA is a separately organized agency within the Department of Defense and, for financial administrative convenience, is under the direction of the Secretary of Defense. It is a unified organization providing for the collecting and presenting of intelligence information on a worldwide basis through verbal or message type media and interception and analysis of wave or signal type communications. NSA is also responsible for insuring secure communications systems for all departments and agencies of the Government. The Congress has enacted several statutes to safeguard the agency's cryptologic activities and to enable the Government to limit disclosure of its cryptologic activities to such information as does not interfere with the accomplishment of cryptologic missions.

In response to a request by the Director of NSA an arrangement was approved by the Comptroller General on July 18, 1955, whereby a GAO staff member would be assigned to the NSA on a permanent basis to perform onsite audits of its vouchers and accounts. The designated staff member or GAO representative and the responsible Director having general supervision for this work were required to obtain the necessary special security clearance to conduct reviews, surveys, or other similar efforts.

From 1955 through 1973 only two or three GAO personnel had this special clearance at any one time. During this period the audit effort by GAO has been primarily the compliance type, that is, examining the financial accounting records and related documents together with limited effort in the procurement and contracting areas.

Under present on-site audit procedures all vouchers, contracts, schedules, accounts current or statements of transactions, and other supporting documents are kept at NSA or designated records storage sites for audit purposes. This is primarily for security reasons because the majority of the documentation is of classified nature and not for ready publication.

The ready accessibility of the GAO representative(s) to NSA officials provides for frequent discussions and ready "on the spot" resolution of questionable entitlement claims provides for early detection of over or under payments thereby enabling NSA to take appropriate action. Generally, these matters and other queries relating to the functions of NSA are handled between GAO representative(s) and cognizant NSA officials on an informal basis primarily because of agency controls and provisions of law to safeguard the sensitive activities of the NSA.

The provisions of Public Law 86-36, approved May 1959 enables NSA to function without disclosure of information which would endanger the accomplishments of its missions. Section 6 thereof provides that no law shall be construed to require the disclosure by the organization or any function of the NSA of any information with respect to the activities thereof. We believe that this section should not be construed as prohibiting GAO access on a confidential basis but only as prohibiting disclosure of its findings to the public at large. Consequently, no formal report disclosing the results of our continuing examinations of the agency activities has been published. To date, informal discussions with officials outside of NSA have been held with only those GAO personnel, at the director level or higher, having the proper clearance and the need-to-know concerning the various sensitive activities of this agency.

Discussions were held in latter 1973 and early 1974 with top-level NSA officials about GAO expanding its examinations by performing management-type reviews of the significant aspects of the agency's operations as well as the compliance type financial audits and certain assist work for other GAO divisions that we have been engaged in up to the present. Although it was concluded that the expansion was feasible, performance of reviews in some functions would be limited from a practical viewpoint, based upon applicable laws, regulations, and controls governing the cryptologic functions of NSA.

Furthermore, it was very evident that any work involving NSA operations would require, without exception, the special clearance for each GAO staff member assigned responsibility for this type of work. This can be a problem because (1) the clearance is expensive, (2) requires at least 6 or more months to complete, (3) for certain operations higher level clearances might be necessary, and (4) the results of the work performed would be highly classified and severely limited in distribution.

Since discussions in latter 1973, arrangements have been made with NSA to have eight additional staff members obtain the necessary clearances. This will provide ten staff members with this type clearance. To date seven have been cleared. We have been advised that the required clearance for work at NSA will generally be acceptable for performing similar work at other organizations (other than the CIA) within the intelligence community. We plan for fiscal year 1975 preliminary review efforts of NSA's automatic data processing functions.

As indicated by the foregoing, we have had some serious difficulties in obtaining information from and about the intelligence community. Sometimes the community has cooperated to the extent of providing us with the requested information but we have been unable to verify it independently. The problem of obtaining proper security clearances is a major obstacle to our work. Hence, for example, while many of our staff have clearances for "Top Secret" defense data and "Atomic Energy Restricted" data, these are not considered sufficient for access to all intelligence data. In each case the "need-to-know" test is applied and the deeper we have tried to delve into the workings of the intelligence community, the more difficult the test becomes. We have been told that within the Defense intelligence community there would be over 100 separate clearances involved if one person were to gain access to the entire community. The time it takes to obtain clearances varies but it is at best a slow process. Also, as indicated, there is a question as to whether we could get enough staff members cleared to do a thorough job on a timely basis.

From prior experience, it is our view that a strong endorsement by the congressional oversight committees will be necessary to open the doors to intelligence data wide enough to enable us to perform any really meaningful reviews of intelligence activities.

We trust the above has been responsive to your inquiry.

Sincerely yours,

R. F. KELLER,
Acting Comptroller General
of the United States.

S. 653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Budget and Accounting Act, 1921 (31 U.S.C. 41 *et seq.*) is amended by adding at the end thereof the following new section:

SEC. 320. (a) Notwithstanding the provisions of section 8(b) of the Central Intelligence Agency Act of 1949 (50 U.S.C. 403j(b)) or of any other provision of law, the accounts and operations of each intelligence agency of the Government shall be audited pursuant to the provisions of this section and under such rules and regulations as may be prescribed by the Comptroller General. For puposes of this subsection, the tem 'intelligence agency' means the Central Intelligence Agency, the Defense Intelligence Agency, the National Security Agency, the Intelligence and Research Bureau of the Department of State, and the intelligence components of the Department of the Treasury, the Department of the Army, the Department of the Navy, the Department of the Air Force, the Energy Research and Development Administration, and the Federal Bureau of Investigation. Such term also includes any successor agency or component to any of the agencies or components named in the preceding sentence.

"(b) The Comptroller General shall arrange for security clearances of such officers and employees of the General Accounting Office as may be necessary to carry out the provisions of this subsection, and the intelligence agencies shall give the highest priority to processing such clearances.

"(c) The head of each intelligence agency shall cooperate with the Comptroller General and the officers and employees assigned by him in carrying out the provisions of this subsection.

"(d) At the request of any committee of the Senate or the House of Representatives, or any joint committee of the Congress, which has legislative jurisdiction over any

intelligence agency or the appropriation of funds therefor, or of any subcommittee of any such committee or joint committee to which such jurisdiction has been delegated by such committee or joint committee, the Comptroller General shall (A) submit to such committee, joint committee, or subcommittee a report of any audit of the accounts and operations of such intelligence agency conducted pursuant to this subsection, and (B) conduct an audit pursuant to this subsection of such accounts and operations of such intelligence agency as may be requested and submit a report thereon to such committee, joint committee, or subcommittee."

By Mr. NELSON (for himself and Mr. HASKELL):

S. 654. A bill to provide for minimum energy conservation fuel economy performance standards, and for other purposes. Referred to the Committee on Commerce.

Mr. NELSON. Mr. President, never in our history has our Nation been confronted, as it is today, with the intertwined crises of energy and economy. Our ravenous appetite for energy and our wastfeul habits have made us dependent on highly priced, artificially controlled foreign oil. This dependence for about 40 percent of the oil we consume each day is draining the economic life out of this Nation. It has caused the most massive and widespread dislocations in our economy since the Depression. Yet, we are consuming more oil today than we used before the embargo despite [illegible] 50 percent increase [illegible].

Last year American consumers sent $24.2 billion to foreign oil producers to support the Nation's energy habit. Less than half that amount came back in terms of foreign investments. This unprecedented and alarming outflow of dollars was a major contributor to the country's 1974 $3 billion balance of trade deficit. The greater the demand—the greater the imports—the greater the economic problems. We continue to support and feed a petrochemical monster more frightening than Frankenstein.

The sudden and severe increase in the price of oil has created domestic inflation and recession and directly threatens the world with economic depression, chaos and panic. As elected decisionmakers who must deal with the complexities of energy, inflation, and recession, we have no other reasonable and responsible choice except to cut our energy consumption. We must reduce annual energy growth in half.

The time has come for decisive bipartisan action. We have talked, discussed, and debated enough.

Approximately 20 percent of all the petroleum this Nation consumed in 1973 was used to fuel our cars, over 77.6 billion gallons a year. One step we must now take to counter the effects that petroleum prices have on our economy is to reduce the amount of gasoline consumed by our automobiles by increasing fuel economy.

As a matter of national policy we must establish minimum energy conservation fuel economy performance standards for cars to achieve the highest practicable improvement in fuel economy at the earliest possible date.

On January 30, 1975, the Senate Democratic Caucus went on record supporting the concept of requiring fuel-economy improvement. The caucus directed the appropriate committees and subcommittees to expedite consideration of legislation that implements the policy of automobile fuel-economy improvement.

I am introducing a bill that establishes minimum fuel economy standards. This bill, the National Energy Conservation Fuel Economy Performance Standards Act of 1975, mandates a 57 percent improvement in fuel economy by 1980, and a 75 percent improvement by 1985. These standards are practicable and achievable and if enacted into law will have a dramatic impact on the nation's economy. This bill is only a first step toward establishing a national energy policy, but it is an absolutely essential one.

Under this proposal a firm could continue to manufacture a mix of cars including large sedans and station wagons so long as the average of all models produced accomplish 25 miles per gallon by 1985.

If every car now on the road met the minimum fuel economy performance standards for 1980 established by this act:

First. This Nation could reduce its oil consumption by 672 million barrels a year, 1.84 million barrels a day.

Second. It would reduce gasoline consumption by 28.2 billion gallons a year, over 36 percent.

Third. At an average price of 50 cents per gallon for gasoline, such a standard would save consumers $14 billion a year.

Fourth. It would cut our imports by 30 percent and reduce the flow of dollars out of the country by $7.2 billion a year, approximately $20 million a day.

The U.S. Environmental Protection Agency and the Department of Transportation have released a study that states the technology to achieve these standards is technologically reasonable and available. The technology and design changes can be phased in over the next few years, gradually increasing fuel economy while reducing our dependence on foreign imports. The industry would:

First, install radial tires on all new cars. This action would reduce gasoline consumption by 2.5 percent.

Second, reduce aerodynamic drag by 10 percent saving another 1.5 percent.

Third, install a more fuel-efficient engine that would yield 25 percent better fuel economy, and

Fourth, reintroduce a fourth gear on automatic transmissions, overdrive. This would save another 4 percent.

In addition, the automobile manufacturers would have to shift the model types and numbers of cars they produce. On a percentage basis, the industry produced during 1974 27 percent large cars, 45 percent middle-sized cars, and 28 percent small-sized cars. To achieve the mandated standards the industry would have to adjust their sales mix to: 10 percent large cars, 44 percent middle-sized cars, and 46 percent small cars.

Section 204(a)(2) of this bill establishes a standard of 24.5 miles per gallon by 1985, a 75-percent improvement in automobile fuel economy. If all cars on the road today averaged 25 miles per gallon:

First. Auto use of gasoline would be reduced 40 percent over current levels, a savings of 31 billion gallons a year, over 2 million barrels a day.

Second. Consumers would save approximately $15.5 billion a year.

Third. The flow of dollars would be reduced by $8.3 billion a year.

Fourth. We would save the equivalent of the output of 1¼ Alaska pipelines.

Our next object to reach as soon as practicable must be to double gasoline mileage, to achieve 30 miles per gallon. This accomplishment would have the dramatic consequence of:

First. Reducing auto gasoline consumption by 50 percent over current levels, a saving of 38.8 billion gallons a year, over 2.5 million barrels a day.

Second. Consumers would save an estimated $19.4 billion a year.

Third. We would reduce the flow of dollars out of the country by over $10.3 billion a year.

Fourth. This is the equivalent of 1.5 Alaska pipelines, or 42 percent of our current imports.

We cannot afford delays in establishing a national energy conservation program. The need to act is too great, the result of inaction too disastrous. We must act now.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "National Energy Conservation Fuel Economy Performance Standards Act of 1975."

TITLE I—STATEMENT OF FINDINGS AND PURPOSES

SEC. 101. The Congress hereby finds and declares that—

(1) the Nation will face a shortage of domestically produced energy at least for the decade following enactment of this Act;

(2) almost twenty-nine percentum of the petroleum consumed by this country in 1973 was used to fuel passenger motor vehicles;

(3) this Nation consumed over seventy-seven billion gallons of gasoline during 1973;

(4) the Nation's well-being requires the establishment of a mandatory fuel economy automobile performance standard to achieve the highest practicable improvement in fuel economy at the earliest possible date.

TITLE II—AUTOMOBILE FUEL EFFICIENCY

DEFINITIONS

SEC. 202. (a) For the purposes of this title, the term—

(1) "Administrator" means the Administrator of the Environmental Protection Agency;

(2) "Manufacturer" means any person engaged in the manufacturing or assembling of new passenger motor vehicles, or importing new passenger motor vehicles for resale;

(3) "passenger motor vehicle" means a four-wheeled vehicle propelled by fuel which is used and is manufactured primarily for use on streets, roads, avenues, and highways. The term includes a light duty truck rated at six thousand pounds gross vehicle weight or less.

(4) "fuel" means gasoline or diesel oil;

(5) "fuel economy" means the average number of miles traveled in representative driving conditions by a passenger motor vehicle per gallon of fuel consumed to the nearest tenth of a mile, as determined by the Administrator in accordance with test procedures established by him by rule which are consistent with the Clean Air Act, as amended (42 U.S.C. 1857 F-5);

(6) "average fuel economy" refers to a harmonic avcrage of fuel economy weighted on the basis of passenger motor vehicles produced. As used in this paragraph, "harmonic average of fuel economy weighted on the basis of passenger motor vehicles produced" refers to the total number of passenger motor vehicles produced in a given model year by a manufacturer and its affiliates, divided by the sum of terms, each term of which is a fraction created by dividing the number of passenger motor vehicles of a given model type produced in a given model year by the fuel economy measured for each particular model type rounded to the nearest tenth of a mile per gallon, as determined by the Administrator;

(7) "model type" refers to a particular class or classes of passenger motor vehicles as determined by the Administrator;

(8) "model year" refers, with reference to any specific calendar year, to the manufacturer's annual production period (as determined by the Administrator) which includes January 1 of such calendar year. If the manufacturer has no annual production period, the term "model year" shall mean the calendar year. For the purpose of assuring passenger motor vehicles manufactured before the beginning of a model year were not manufactured for the purposes of circumventing the effective date of a standard under Section 303(a), the Administrator may proscribe by regulation definitions of "model year" otherwise than provided above.

TESTING AND LABELING

SEC. 203. (a) On an annual basis, the Administrator shall determine and publish for the benefit of consumers, information with respect to passenger motor vehicle fuel efficiency.

(b) Beginning no later than 90 days after the enactment of this title, each manufacturer shall cause to be affixed and each dealer thereof shall cause to be maintained on each new passenger motor vehicle, in a prominent place, a sticker indicating the minimum fuel economy as determined by the Administrator for such passenger motor vehicle, and the estimated average annual fuel costs associated with the operation of such passenger motor vehicle. The form and content of such sticker shall be determined by the Federal Trade Commission, pursuant to section 553 of title 5, United States Code.

(c) The Federal Trade Commission shall by rule, pursuant to section 553 of title 5, United States Code, direct that the information regarding fuel economy and average annual fuel costs, required under subsection (c) of this section, be displayed in a conspicuous part of any advertisement for new passenger motor vehicles which refers to purchase price or acquisition cost of such passenger motor vehicle.

PERFORMANCE STANDARDS

SEC. 204(a)(1) The Administrator shall prescribe (and from time to time revise) in accordance with the provisions of this section minimum fuel-economy performance standards for any class or classes of new passenger motor vehicles for model year 1977 and each model year thereafter.

(2) Regulations prescribed by the Administrator under this section shall be designed to achieve the maximum fuel-economy which he determines is practicable and feasible; *provided* that, the fuel-economy standard for model year 1980 shall not be less than 22.0 miles per gallon, and, the standard for model year 1985 shall not be less than 24.5 miles per gallon. The Administrator shall not prescribe fuel-economy standards for a manufacturer for any model year which is less stringent than the fuel-economy standards applicable to such manufacturer in the preceding model year.

(3) In determining standards under this section the Administrator shall take into account the available technology, and the period of time necessary to permit the development and application of the requisite technology, giving appropriate consideration to: the cost of compliance, the economic impact of compliance, the natural resource impact of compliance, and the impact on regulations applicable to the emission of air pollutants from any class or classes of new passenger motor vehicle or new passenger motor vehicle engines established under Title II of the Clean Air Act, any applicable safety standards, and other aspects affecting the public health and welfare.

(4)(i) The Administrator shall initially promulgate standards for the model years 1977 and each model year through 1985, inclusive, no later than 270 days after the date of enactment of this Act.

(ii) The Administrator shall initially promulgate standards for the model year 1986 and each model year through 2000, inclusive, no later than January 1, 1983.

(b)(1) Each manufacturer of new passenger motor vehicles shall comply with the minimum fuel-economy standard for the applicable model year.

(2) The Administrator shall prescribe (and from time to time revise) procedures by which compliance with the standards prescribed under subsection (a) of this section are determined. Such regulations shall contain testing procedures necessary to assure compliance with the provisions of this section and requirements respecting instructions of the manufacturer for maintenance, use, or repair of the passenger motor vehicle.

(3) If the Administrator determines that the average fuel-economy of any class of new passenger motor vehicles offered for sale by a manufacturer during any model year fails to meet the standards established under subsection (a) of this section with respect to such class, such manufacturer shall be in violation of such standard and shall be subject to the provisions of section 208.

(4) The Administrator may require manufacturers of new passenger motor vehicles and new motor vehicle engines to submit in such form, in such manner, and at such time as he may require, information and data as to sales and fuel economy of new passenger motor vehicles and new passenger motor vehicle engines, and such other information and data that he may require to ascertain compliance with the requirements of this title.

ENFORCEMENT

SEC. 205 (a)(1) Whenever the Administrator determines in accordance with regulations that a model type of new passenger motor vehicles, manufactured, or proposed to be manufactured, fails or will fail to achieve the fuel economy reported by the manufacturer for purposes of determining the average fuel economy for all new passenger motor vehicles anticipated to be sold by the manufacturer during the model year; or if the Administrator determines that the sales for any model type are or will be substantially different than those reported by the manufacturer for the purposes of determining the average fuel economy for all new passenger motor vehicles anticipated to be sold by the manufacturer during the model year, he shall inform the manufacturer of such determination and shall recommend to the manufacturer that corrective action as the Administrator determines may be necessary to achieve the standards established under section 204. Such corrective action may include requirements to curtail or suspend sales of model types the fuel economy of which falls below the average fuel economy standard under section 204.

(2) If the manufacturer fails to take corrective action necessary to achieve compliance with section 204 within the time determined by the Administrator, the Administrator may order the curtailment or suspension of sales of any model types manufactured by such manufacturer until such time as the manufacturer demonstrates to the satisfaction of the Administrator that it will meet the standards under section 204.

(3) If the manufacturer fails to comply with an order issued by the Administrator within the time required by such order, the Administrator may commence a civil action for appropriate relief, including permanent or temporary injunction. Any such action brought under this section may be brought in the district court of the United States for the district in which the defendant is located or resides or is doing business. Such court shall have jurisdiction to restrain violation of the Administrator's order and to compel compliance.

DUTIES AND POWERS OF THE ADMINISTRATOR

SEC. 205(a) GENERAL.—(1) For the purpose of carrying out the provisions of this title the Administrator may hold such hearings take such testimony, sit and act at such times and places, administer such oaths, and require, by subpoena or otherwise, the attendance and testimony of such witnesses and the production of such books, papers, correspondence, memorandums, contracts agreements, or other records as the Administrator deem advisable. The Administrator shall at all reasonable times have access to and for the purpose of examination, the right to copy any documentary evidence of any person having materials or information relevant to any function of the Administrator under this title. The Administrator is authorized to require. by general or special orders, any person to file, in such form as the Administrator may prescribe, reports or answers in writing to specific questions relating to any function of the Administrator under this title. Such reports and answers shall be made under oath or otherwise, and shall be filed wtih the Administrator within such reasonable period as he may prescribe.

(2) The district courts of the United States for a judicial district in the jurisdiction of which an inquiry is carried on may, in the case of contumacy or refusal to obey a duly authorized subpoena or order of the Administrator, issued under paragraph (1) of this subsection, issue an order requiring compliance wtih such subpoena or order. Any failure to obey such an order of the court may be punished by such court as a contempt thereof.

(3) Witnesses summoned pursuant to this subsection shall be paid the same fees and mileage that are paid witnesses in the courts of the United States.

"(b) INSPECTION.—(1) Every manufacturer of passenger motor vehicles shall establish and maintain such records, make such reports, conduct such tests, and provide such items and information as the Administrator may reasonably require to enable the Administrator to carry out their duties under this title and under any rules or regulations promulgated pursuant to this title.. Such manufacturer shall, upon request of a duly designated agent of the Administrator, permit such agent to inspect finished automobiles and appropriate books, papers, records, and documents. Such manufacturer shall make available all of such items and information in accordance with such reasonable rules as the Administrator may prescribe.